

## UTAH STATE TAX COMMISSION SUMMARY OF RULES

### **Proposed Rule Amendments**

The proposed rule amendments can be found on the Utah State Tax Commission website <http://tax.utah.gov/commission/rules>. The rule amendments will be posted on the Division of Administrative Rules Bulletin **May 1, 2012** and the Public comment will end on **May 31, 2012**.

**Rule Number:**           **Rule R861-1A-16**  
**Rule Title:**           **Utah State Tax Commission Management Plan Pursuant to Utah Code Ann. Section 59-1-207.**

**Summary:**           The proposed amendment provides that the commission's delegation of duties does not apply to appeals for waiver of penalties imposed by the Motor Vehicle Enforcement Division under Title 41, Chapter 3.

**Rule Number:**           **Rule R877-23V-7**  
**Rule Title:**           **Misleading Advertising Pursuant to Utah Code Ann. Section 41-3-210**

**Summary:**           The proposed amendment replaces the terms "automobile" and "vehicle" with the statutorily defined term "motor vehicle." This amendment reflects the Motor Vehicle Enforcement Division's administration of the law.

**Rule Number:**           **Rule R877-23V-22**  
**Rule Title:**           **Reasonable Cause to Waive, Reduce, or Compromise a Penalty Pursuant to Utah Code Ann. Section 41-3-704.**

**Summary:**           The proposed rule indicates what may constitute reasonable cause to reduce or compromise a penalty imposed under Title 41, Chapter 3; provides that a person seeking to reduce or compromise a penalty must demonstrate that reasonable cause to reduce or compromise the penalty exists and recommend the amount by which the penalty should be reduced or compromised; provides that ignorance of the law or inability to pay do not constitute reasonable cause.

**Rule Number:**           **Rule R884-24P-68**  
**Rule Title:**           **Property Tax Exemption for Taxable Tangible Personal Property With a Total Aggregate Fair Market Value [~~of \$3,500 or Less~~] That is At or Below the Statutorily Prescribed Amount Pursuant to Utah Code Ann. Section 59-2-1115.**

**Summary:**           The proposed amendment replaces the amount "\$3,500 or less" from the rule and replaces it with the phrase "at or below the statutorily prescribed amount" to reflect the consumer price index increases required by statute.

## **Proposed Rule Amendments**

The proposed rule amendments can be found on the Utah State Tax Commission website <http://tax.utah.gov/commission/rules>. The rule amendments will be posted on the Division of Administrative Rules Bulletin **June 1, 2012** and the Public comment will end on **July 2, 2012**.

**Rule Number:** R861-1A-20  
**Rule Title:** Time of Appeal Pursuant to Utah Code Ann. Sections 59-1-301, 59-1-501, 59-2-1007, 59-7-517, 59-10-532, 59-10-533, 59-10-535, 59-12-114, 59-13-210, 63G-4-201, 63G-4-401, 68-3-7, and 68-3-8.5.

**Summary:** The proposed amendment clarifies that Motor Vehicle Division and Motor Vehicle Enforcement Division actions must be appealed within 30 days of the date of a notice that creates the right to appeal, and indicates when an appeal is deemed to be timely filed.

**Rule Number:** R865-6F-6  
**Rule Title:** Application of Corporation Franchise or Income Tax Acts to Qualified Corporations and to Nonqualified Foreign Corporations Pursuant to Utah Code Ann. Section 59-7-104.

**Summary:** The proposed amendment deletes language providing that delivery of goods in a seller's own vehicle, if above a de minimis level, creates nexus for corporation income and franchise tax purposes. This change reflects current agency practice and results from case law and amendments to the corresponding Multistate Tax Commission model rule.

**Rule Number:** R865-9I-49  
**Rule Title:** Higher Education Savings Incentive Program Administration Pursuant to Utah Code Ann. Sections 53B-8a-112, 59-10-114, and 59-10-1017.

**Summary:** The proposed amendment revises the date by which the trustee of the Utah Educational Savings Plan Trust must file information with the Tax Commission concerning amounts contributed to or disbursed from the trust from January 31 to March 31. This change is made at the request of the Utah Educational Savings Plan management.

**Rule Number:** R865-12L-14  
**Rule Title:** [Local]Qualifying Sales and Use Tax and Telecommunications Charge Distributions and Redistributions Pursuant to Utah Code Ann. Sections 59-12-210, [and] 59-12-210.1, and 69-2-5.8.  
**Summary:** The proposed amendment updates the current rule on sales tax redistributions to reflect that under 2012 HB 476, telecommunications charges may only be redistributed in certain circumstances.

**Rule Number:** R865-19S-123  
**Rule Title:** Specie Legal Tender Pursuant to Utah Code Ann. Section 59-12-107.  
**Summary:** The proposed rule indicates the London fixing price that a seller shall use to determine the amount of sales tax due in specie legal tender and in dollars when the London fixing price is not available for the day on which a purchase is made in specie legal tender.

**Rule Number:** R867-2B-2  
**Rule Title:** Jeopardy Assessment Pursuant to Utah Code Ann. Sections 59-1-701 and 59-1-702.  
**Summary:** The rule is repealed since the statute that authorizes it has been repealed in 2012 SB 243.

**Rule Number:** R867-2B-4  
**Rule Title:** Uniform Affixing and Displaying of Drug Stamps Pursuant to Utah Code Ann. Section 59-19-104  
**Summary:** The rule is repealed since the statute that authorizes it has been repealed in 2012 SB 243.

**Rule Number:** R884-24P-66  
**Rule Title:** County Board of Equalization Procedures and Appeals Pursuant to Utah Code Ann. Section 59-2-1004.  
**Summary:** The proposed amendment modifies the information a property owner must supply a county BOE at the time the property owner is applying to appeal the valuation of property for property tax purposes. The amendment requires the property owner provide, at the time of application, evidence or documentation that supports the property owner's claim for relief. This differs from the current language that requires simply a statement indicating the evidence the property owner will present to the BOE and returns to language that was in place prior to April 12, 2012.

**New Proposed Rules to be Approved for submission to Division of Administrative Rules for publication in the Utah Register**

The rules will be published in the Utah Bulletin **July 1, 2012** and the Public comment will end on **July 31, 2012**.

- Rule Number:**           **Rule R861-1A-26**  
**Rule Title:**           **Procedures for Formal Adjudicative Proceedings Pursuant to Utah Code Ann. Sections 59-1-501 and 63-46b-6 through 63-46b-11**  
**Summary:**           The proposed amendment clarifies an attorney licensed in a jurisdiction outside Utah may represent a taxpayer before the commission without being admitted pro hac vice in Utah.
- Rule Number:**           **Rule R865-21U-6**  
**Rule Title:**           **Liability of Purchasers and Receipt For Payment to Retailers Pursuant to Utah Code Ann. Section 59-12-107**  
**Summary:**           Prior to the amendment: (1) a purchaser that was not required to obtain a sales tax license was required to pay the use tax on the purchaser's income tax return; and (2) if a purchaser that was otherwise not required to obtain a sales tax license had a use tax liability that exceeded \$400, that purchaser was required to obtain a sales tax license and pay the use tax liability on a sales tax return. The proposed amendment provides that regardless of the amount of the use tax liability, a purchaser who is otherwise not required to obtain a sales tax license shall pay the use tax liability on the purchaser's income tax return, defines terms, and repeals unnecessary language.